

Owner of Soilbuild Reit's manager takes S\$30m of its S\$65m perps offering

By Leila Lai, The Business Times FRI, SEP 21, 2018

THE controlling shareholder of Soilbuild Business Space Reit's manager is taking nearly half of the real estate investment trust's S\$65 million subordinated perpetual securities offering, according to a filing with the Singapore Exchange early Friday morning.

Lim Chap Huat, who also holds a 9.096 per cent stake in the Reit, has agreed to subscribe for S\$30 million of the deal, which was priced on Thursday night.

The perpetuals will bear an annual distribution rate of 6 per cent for the first three years. After those three years, and every three years thereafter, the distribution rate will reset to 379 basis points over the prevailing three-year Singapore-dollar Swap Offer Rate.

Mr Lim wholly owns Soilbuild Group Holdings, which sponsors the Reit and also wholly owns the Reit manager.

The perpetual securities – which come under its S\$500 million multi-currency debt issuance programme established previously – are expected to be issued on Sept 27.

The net proceeds arising from the issue of the securities will be used for financing the general corporate purposes of Soilbuild Reit and its subsidiaries, including acquisitions and/or investments.